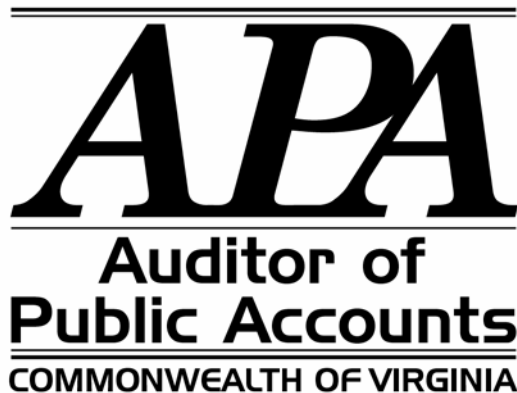


**RAPPAHANNOCK RIVER BASIN COMMISSION**

**REPORT ON AUDIT  
FOR THE PERIOD  
JULY 1, 2004 TO JUNE 30, 2006**



## **AUDIT SUMMARY**

Our audit of the Rappahannock River Basin Commission for the period July 1, 2004 to June 30, 2006 found:

- proper recording and reporting of all transactions, in all material respects, in the Commission's financial records.
- no matters involving internal control and its operations necessary to bring to management's attention; and
- no instances of noncompliance with applicable laws and regulations or other matters that are required to be reported.

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## AGENCY HIGHLIGHTS

The Rappahannock River Basin Commission's (Commission) purpose and mission is to provide guidance for the stewardship and enhancement of the water quality and natural resources of the Rappahannock River Basin. The Commission serves as a forum in which the state, 14 local governments (the City of Fredericksburg and the counties of Caroline, Culpepper, Essex, Fauquier, King George, Lancaster, Madison, Orange, Rappahannock, Richmond, Spotsylvania, Stafford, and Westmoreland), and citizens of the Commonwealth can discuss issues affecting the Rappahannock River Basin's water quality and quantity and other natural resources. Through promoting communication, coordination, and education, and suggesting appropriate solutions to identified problems, the Commission promotes activities by local, state, and federal governments, and by individuals, that foster resource stewardship for the environmental and economic health of the Rappahannock River Basin.

The Commission supports several work groups focusing on topics affecting the Rappahannock River Basin. For the period under audit, the primary focus of the Commission was Non-point source pollution. Non-point source refers to pollution from sources such as agriculture, land development, forestry, septic systems and lawn management. Other areas focused on include water allocation and water supply.

The Commission received funding from State Appropriations in fiscal year 2006, contributions from 14 localities, private donations, and grants. However, the Commonwealth provided no state appropriations in 2005. The following shows the financial activities of the Commissions for fiscal years 2005 and 2006.

	<u>Year Ended June 30, 2005</u>	<u>Year Ended June 30, 2006</u>
Revenues:		
Appropriations	\$ -	\$ 5,000
Local contributions	14,000	12,181
Miscellaneous and private donations	1,266	162
DCR grant	-	3,395
Total revenue	15,266	20,738
Expenses:		
Salaries and benefits	8,247	23,132
Administration	2,084	14
Travel	126	1084
Conference	<u>-</u>	<u>416</u>
Total expenses	<u>10,457</u>	<u>24,646</u>
Revenues over/(under) expenses	<u>4,809</u>	<u>(3,908)</u>
Cash balance, June 30	<u>\$11,986</u>	<u>\$30,336</u>

Due to state budget reductions in fiscal year 2005, the Rappahannock Area Development Commission used grant funds to augment staff time and support the work of the Commission. The reduction in staff expense in 2005 was due to paying a portion of the staff expenses with grant funds.



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

**Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218**

June 8, 2007

The Honorable Timothy M. Kaine  
Governor of Virginia  
State Capital  
Richmond, Virginia

The Honorable Thomas K. Norment, Jr.  
Chairman, Joint Legislative Audit  
and Review Commission  
General Assembly Building  
Richmond, Virginia

We have audited the financial records and operations of the **Rappahannock River Basin Commission** for the period July 1, 2004 through June 30, 2006. We conducted our audit in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.

## AUDIT OBJECTIVES

Our audit's primary objectives were to evaluate the accuracy of recorded financial transactions in the Commission's financial records, review the adequacy of the Commission's internal controls, and test compliance with applicable laws and regulations.

## AUDIT SCOPE AND METHODOLOGY

The Rappahannock River Basin Commission's management has responsibility for establishing and maintaining internal control and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered control risk in determining the nature and extent of our audit procedures. Our review encompassed controls over the following significant cycles, classes of transactions, and account balances.

Revenue  
Expenditures

We performed audit tests to determine whether the Commission's controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws and regulations. Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, and contracts, and observation of the Commission's operations. We tested transactions and performed analytical procedures, including budgetary and trend analyses. We confirmed cash accounts not with the Treasurer of Virginia with outside parties.

## CONCLUSIONS

We found that the Rappahannock River Basin Commission properly stated, in all material respects, the amounts recorded and reported in the Commission's financial records. The financial information presented in this report came directly from the Commission's financial records.

We noted no matters involving internal control and its operation that we consider necessary to be reported to management. The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## EXIT CONFERENCE AND REPORT DISTRIBUTION

We discussed this report with management on June 8, 2007.

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

AUDITOR OF PUBLIC ACCOUNTS

SLM/sks

## RAPPAHANNOCK RIVER BASIN COMMISSION

### MEMBERS

Delegate Robert J. Wittman, Chairman

Harry Atherton, Vice-chairman

Eldon James, Coordinator

Bob Wilson, Fiscal Agent

Robert P. Anderson	Delegate William J. Howell
Delegate Clifford L. Athey, Jr.	Butch Jenkins
Walter S. Ball	Delegate L. Scott Lingamfelter
John Barber	Emmitt Marshall
Delegate Robert B. Bell	Senator Ryan McDougale
Senator John H. Chichester	Bob Miller
Delegate Mark L. Cole	Delegate Harvey B. Morgan
William L. Crigler	Steve Nixon
Margaret H. Davis	Senator Mark D. Obenshain
Senator R. Creigh Deeds	Delegate Robert D. Orrock, Sr.
Kerry Devine	Teri L. Pace
Robert W. Farmer	Senator H. Russell Potts, Jr.
Peter J. Fields	Felix Redmond
A. Myers France	Maxie Rozell, Jr.
Delegate Todd C. Gilbert	Delegate Edward T. "Ed" Scott
Thomas Graves	Edwin E. "Bud" Smith, Jr.
Joseph W. Grzeika	George C. Solley
Senator Emmett W. Hanger	Richard Street
W.W. Hynson	Chester W. Stribling
Senator R. Edward Houck	Roger Welch

Chris Yakabouski